



DEPARTMENT OF VETERANS AFFAIRS

8320-01

38 CFR Part 9

RIN 2900-AP98

Electronic Submission of Certain Servicemembers' Group Life Insurance, Family Servicemembers' Group Life Insurance, and Veterans' Group Life Insurance Forms

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: The Department of Veterans Affairs (VA) in this final rule amends its regulations governing the Servicemembers' and Veterans' Group Life Insurance programs to provide that certain Servicemembers' Group Life insurance (SGLI), Family SGLI (FSGLI), and Veterans' Group Life Insurance (VGLI) applications, elections, and beneficiary designations, required by statute to be "written" or "in writing," would include those that are digitally or electronically signed and submitted via an agency-approved electronic means. This document adopts as a final rule, with minor changes, the proposed rule published in the Federal Register on September 6, 2017.

DATES: This rule is effective [insert date of publication in the FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Ruth Berkheimer, Insurance Specialist, Department of Veterans Affairs Insurance Center, 5000 Wissahickon Avenue, Philadelphia, PA 19144, (215) 842-2000, ext. 4275 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: On September 6, 2017, VA published a proposed rule in the Federal Register (82 FR 42052), to expressly allow for electronic submission of certain SGLI and VGLI applications, forms, and beneficiary designations, by adding § 9.22 to part 9 of title 38, Code of Federal Regulations. New § 9.22(a)(1) defines the terms "in writing" and "written" for purposes of certain statutes in chapter 19, subchapter III, of title 38, United States Code, to mean an intentional recording of words in visual form and to include hard-copy documents containing a person's name or mark, written or made by that person, and documents submitted through a VA-approved electronic means that includes an electronic or digital signature that identifies and authenticates a particular person as the source of the electronic message, and indicates such person's approval of the information contained in the electronic document.

VA provided a 60-day comment period for the public to respond to the proposed rule. The comment period for the proposed rule ended on November 6, 2017, and VA received two comments, which were favorable. Both comments expressed support for accepting electronically or digitally-signed insurance forms, as it will make it easier for Servicemembers and Veterans to update their life insurance coverage information. As all comments received were favorable, the proposed rule is being adopted as final, with minor stylistic edits to conform with Code of Federal Regulations formatting.

Unfunded Mandates

The Unfunded Mandates Reform Act of 1995 requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before issuing any rule that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted annually for inflation) in any one year. This final rule will have no such effect on State, local, and tribal governments, or on the private sector.

Paperwork Reduction Act

This final rule contains no provisions constituting a collection of information under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521).

Executive Orders 12866, 13563, and 13771

Executive Orders 12866 and 13563 direct agencies to assess the costs and benefits of available regulatory alternatives and, when regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, and other advantages; distributive impacts; and equity). Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility. Executive Order 12866 (Regulatory Planning and Review) defines a “significant regulatory action,” requiring review by OMB, unless OMB waives such review, as “any regulatory action that is likely to result in a rule that may: (1) Have an annual effect on the economy of \$100 million or more or

adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) Create a serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) Materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in this Executive Order.”

The economic, interagency, budgetary, legal, and policy implications of this regulatory action have been examined, and it has been determined not to be a significant regulatory action under Executive Order 12866. VA's impact analysis can be found as a supporting document at <http://www.regulations.gov>, usually within 48 hours after the rulemaking document is published. Additionally, a copy of the rulemaking and its impact analysis are available on VA's website at <http://www.va.gov/orpm> by following the link for “VA Regulations Published.” This rule is not an E.O. 13771 regulatory action because this rule is not significant under E.O. 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that the adoption of this final rule will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, 5 U.S.C. 601-612. This final rule will directly affect only individuals and will not directly affect any small entities. Therefore, pursuant to 5 U.S.C. 605(b), this final rule is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance number and title for the program affected by this document is 64.103, Life Insurance for Veterans.

List of Subjects in 38 CFR Part 9

Life insurance, Military personnel, Veterans.

Signing Authority

The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Gina S. Farrisee, Deputy Chief of Staff, Department of Veterans Affairs, approved this document on February 27, 2018, for publication.

Dated: February 27, 2018.

Jeffrey Martin,
Impact Analyst,
Office of Regulation Policy & Management,
Office of the Secretary,
Department of Veterans Affairs.

For the reasons stated in the preamble, VA amends 38 CFR part 9 as set forth below:

PART 9—SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

1. The authority citation for part 9 continues to read as follows:

AUTHORITY: 38 U.S.C. 501, 1965-1980A, unless otherwise noted.

2. Add § 9.22 to read as follows:

§ 9.22 Submission of certain applications and forms affecting entitlement to Servicemembers' Group Life Insurance and Veterans' Group Life Insurance.

(a)(1) For purposes of this section, the terms *in writing* and *written* mean an intentional recording of words in visual form and include:

(i) Hard-copy applications and forms containing a person's name or mark written or made by that person; and

(ii) Applications and forms submitted through a VA approved electronic means that include an electronic or digital signature that identifies and authenticates a particular person as the source of the electronic message and indicates such person's approval of the information submitted through such means.

(2) With regard to the following actions, applications or forms that satisfy the definition in paragraph (a)(1) of this section will be deemed to satisfy the requirement in the referenced statutes that an application, election, or beneficiary designation be "in writing" or "written":

(i) Decline Servicemembers' Group Life Insurance for the member or Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(a)(2)(A) or (B));

(ii) Insure the member under Servicemembers' Group Life Insurance or the member's spouse under Family Servicemembers' Group Life Insurance in an amount less than the maximum amount of such insurance (38 U.S.C. 1967(a)(3)(B));

(iii) Restore or increase coverage under Servicemembers' Group Life Insurance for the member or under Family Servicemembers' Group Life Insurance for the member's insurable spouse (38 U.S.C. 1967(c));

(iv) Designate one or more beneficiaries for the member's Servicemembers' Group Life Insurance or former member's Veterans' Group Life Insurance (38 U.S.C. 1970(a)); and

(v) Increase the amount of coverage under Veterans' Group Life Insurance (38 U.S.C. 1977(a)(3)).

(b) Applications or forms that satisfy the definition in paragraph (a)(1) of this section may be utilized to--

(1) Apply for Veterans' Group Life Insurance; and

(2) Reinstate Veterans' Group Life Insurance.